

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3209 – HB 3529

April 21, 2010

SUMMARY OF AMENDMENTS (015558, 016960, 016446, 016909):

Amendment 015558 deletes all language after the enacting clause and creates a Department of Aging. Transfers the powers and responsibilities of the Commission on Aging and Disability to the newly created Department of Aging. Creates a 28-member advisory council on aging to provide review of policies, programs, and initiatives of the Department. Amendment 016960 specifies that the administration responsibilities granted to the Department do not include the services authorized with Medicaid and the Children's Health Insurance Program (CHIP) except as contracted by the Bureau of TennCare.

Amendment 016446 requires the Department to perform its responsibilities utilizing existing funding, resources, and management and program staff of the Commission on Aging that are transferred to the Department. Requires the Departments of Finance and Administration and Human Resources to complete a funding and staffing needs evaluation and a management review study to determine the numbers and classification of management staff that is needed by the Department of Aging. Amendment 016909 requires the Comptroller of the Treasury and the Commissioner of Aging to conduct a management review of the new Department of Aging. The Speakers of the Senate and House of Representatives will each appoint three members to serve as non-voting advisory members of the review and the Governor will appoint a representative from the National Institute of Senior Citizens, the Tennessee Association of Senior Citizens, and the Tennessee Federation on Aging.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Expenditures – \$10,000/FY10-11

Other Fiscal Impact – The bill as amended requires the Department of Aging to perform all responsibilities utilizing the existing funding, resources, and management and program staff of the Commission on Aging and Disability. The Department will provide travel reimbursement for non-legislative

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members of the management review team in FY10-11 within existing resources. The Department will decrease expenditures by \$1,900 in FY10-11 in other programs to be able to provide travel reimbursement.

After the Departments of Finance and Administration and Human Resources complete the funding and staffing needs evaluation and management review study, the current funding and resources of the Commission on Aging and Disability will be adjusted to meet the needs of the Department of Aging. It is not possible to quantify any increase or decrease in expenditures until after the study is completed and the current funding and resource levels are adjusted.

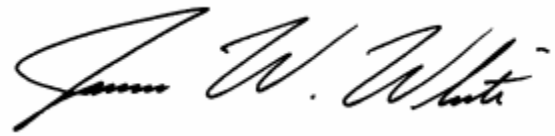
Assumptions applied to amendments:

- There will not be a significant increase in expenditures for the Departments of Finance and Administration and Human Resources to complete a funding and staffing needs evaluation and a management review study to determine the numbers and classification of management staff that is needed by the Department of Aging.
- Funding, resources, and management and program staff of the Commission on Aging and Disability will remain at the current level and will be transferred to the newly created Department of Aging.
- It is assumed that members of the management review will meet at least four times to determine the numbers and classification of management staff that the new Department of Aging will require as well as the funding and staffing needs evaluation. The management review will be completed within FY10-11 and will not need to meet after the review is complete.
- There will not be a significant increase in expenditures for the Comptroller and the Commissioner of Aging to conduct the management review in consultation with the Departments of Finance and Administration and Human Resources. Any cost incurred to provide administrative support to the management review team can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The legislative members serving as non-voting, advisory members of the management review will receive per diem and travel reimbursement for each meeting of the review. Travel and per diem expenses for six legislative members of to meet four times in FY10-11 will result in an increase in expenditures of \$ 8,146.56 [(\$185 per diem + \$154.44 mileage) x 6 members x 4 meetings].
- The three representatives of the senior citizens center community will receive travel reimbursement for each meeting resulting in an increase in expenditures of \$1,853.28 (\$154.44 mileage x 3 members x 4 meetings). The funds for travel reimbursement for these members will be provided out of the Department of Aging's budget which must remain at the current level of the Commission of Aging and Disability without an increased appropriation.
- Current funding, resources, and management and program staff levels will be adjusted after the Departments of Finance and Administration and Human Resources complete the funding evaluation and management review study.

- It is estimated that any cost incurred by the advisory council for meetings will be similar to that of the current commission meetings and will not result in a significant impact to the current expenditures of the Commission.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml